

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

RIVIERA BEACH POLICE PENSION FUND
and CITY OF HIALEAH EMPLOYEES
RETIREMENT SYSTEM, derivatively on behalf
of RESIDEO TECHNOLOGIES, INC.,

Plaintiffs,

v.

MICHAEL G. NEFKENS, JOSEPH D. RAGAN
III, NICCOLO DE MASI, PAUL DENINGER,
ROGER FRADIN, JACK LAZAR, NINA
RICHARDSON, ANDREW TEICH, and
SHARON WIENBAR,

Defendants,

and

RESIDEO TECHNOLOGIES, INC.,

Nominal Defendant.

Case No. 21-1965 (WMW/KMM)

IN RE RESIDEO TECHNOLOGIES, INC.
DERIVATIVE LITIGATION

Case No. 21-2097 (WMW/KMM)

**JOINT STIPULATION CONSOLIDATING RELATED SHAREHOLDER DERIVATIVE
ACTIONS, APPOINTING LEADERSHIP STRUCTURE, AND STAYING THE
CONSOLIDATED ACTION**

Plaintiffs Riviera Beach Police Pension Fund (“Plaintiff Riviera”), City of Hialeah Employees Retirement System (“Plaintiff Hialeah”), Jawad A. Ayaz as Trustee of the Shiv Venkatesetty 2016 Trust (“Plaintiff Ayaz”) and Daniel Sanclemente (“Plaintiff Sanclemente” and together with Plaintiff Riviera, Plaintiff Hialeah, and Plaintiff Ayaz, “Plaintiffs”), defendants Michael G. Nefkens, Joseph D. Ragan III, Niccolo De Masi, Paul Deninger, Roger Fradin, Jack Lazar, Nina Richardson, Andrew Teich, Sharon Wienbar (collectively, the “Individual

Defendants”), and nominal defendant Resideo Technologies, Inc. (“Resideo,” and together with the Individual Defendants, the “Defendants”) (Defendants and Plaintiffs, the “Parties”) by and through their respective counsel, hereby stipulate to consolidate the above-captioned actions into a single consolidated action (the “Consolidated Action”) and stay proceedings in the Consolidated Action pending final judgment in the related securities class action pending in this Court, captioned *In re Resideo Technologies, Inc., Securities Litigation*, Case No. 19-cv-2863 (WMW/KMM) (the “Securities Class Action”).

WHEREAS, on September 1, 2021, Plaintiffs Riviera and Hialeah filed a shareholder derivative action on behalf of nominal defendant Resideo in this Court [ECF No. 1] alleging breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Section 14(a) of the Securities Exchange Act of 1934 against the Individual Defendants, captioned *Riviera Beach Police Pension Fund, et al. v. Nefkens, et al.*, Case No. 21-1965 (the “Institutional Action”);

WHEREAS, on September 21, 2021, the parties in the consolidated shareholder derivative action captioned *In re Resideo Technologies, Inc. Derivative Litigation* (the “Delaware Consolidated Action”) and originally filed on July 7, 2020 in the United States District Court for the District of Delaware under Case No. 1:20-CV-00915-LPS, which asserts facts and claims substantially similar to the Institutional Action, stipulated to transfer their action from the District of Delaware to this Court;

WHEREAS, on September 22, 2021, the Institutional Action was reassigned from Judge Nancy E. Brasel and Magistrate Judge Hildy Bowbeer to Judge Wilhelmina M. Wright and Magistrate Judge Katherine M. Menendez [ECF No. 11];

WHEREAS, on September 23, 2021, the United States District Court for the District of Delaware so ordered the September 21, 2021 stipulation, and the Delaware Consolidated Action was electronically transferred from the District of Delaware to the this Court as Case No. 21-2097;

WHEREAS, on October 27, 2021, the Delaware Consolidated Action was reassigned from Judge Nancy E. Brasel and Magistrate Judge Elizabeth Cowan Wright to Judge Wilhelmina M. Wright and Magistrate Judge Katherine M. Menendez [ECF No. 14];

WHEREAS, on March 30, 2021, this Court issued a decision denying the motion to dismiss in the Securities Class Action;

WHEREAS, on August 18, 2021, the parties in the Securities Class Action entered into a Stipulation of Settlement, and plaintiffs in the Securities Class Action filed a Motion for Preliminary Approval of the Class Action Settlement;

WHEREAS, on October 21, 2022, this Court granted the Motion for Preliminary Approval of the Class Action Settlement in the Securities Class Action;

WHEREAS, a Settlement Hearing in the Securities Class Action before this Court will be held on January 27, 2022;

WHEREAS, the Parties agree that a stay of the Consolidated Action pending final judgment in the Securities Class Action is appropriate;

WHEREAS, under Fed. R. Civ. P. 42(a), when actions involve “a common question of law or fact,” the Court may “(1) join for hearing or trial any or all matters at issue in the actions; (2) consolidate the actions; or (3) issue any other orders to avoid unnecessary cost or delay;”

WHEREAS, the Delaware Consolidated Action and the Institutional Action challenge the same alleged conduct by the same Individual Defendants and involve common questions of law and fact;

WHEREAS, to avoid potentially duplicative actions and to prevent any waste of the Court's resources, the parties respectfully submit that the Delaware Consolidated Action and the Institutional Action should be consolidated for all purposes, including pre-trial proceedings and trial, into a single consolidated action;

WHEREAS, plaintiffs in the Institutional Action and the Delaware Consolidated Action have conferred and have agreed to a leadership structure for the prosecution of the Consolidated Action, in which Grant & Eisenhofer P.A. and Saxena White P.A. shall serve as Co-Lead Counsel for plaintiffs in the new consolidated action, and The Brown Law Firm, P.C., Levi & Korsinsky, LLP, and The Rosen Law Firm, P.A. shall serve as members of Plaintiffs' Executive Committee;

WHEREAS, plaintiffs agree that Reinhardt Wendorf & Blanchfield shall be designated as local counsel in the new consolidated action; and

WHEREFORE, the parties, through their undersigned counsel, hereby agree, stipulate, and respectfully request that the Court enter an Order as follows:

1. The following actions are hereby consolidated for all purposes, including pre-trial proceedings and trial, under Case No. 21-1965 (WMW/KMM) (the "Consolidated Action"), pursuant to Federal Rule of Civil Procedure 42(a):

| <u>Case Name</u> | <u>Case Number</u> | <u>Date Filed/Transferred</u> |
|--|---------------------------|--------------------------------------|
| <i>Riviera Beach Police Pension Fund, et al, v. Michael G. Nefkens, et al.</i> | 21-1965 (WMW/KMM) | September 1, 2021 |
| <i>In re Resideo Technologies, Inc. Derivative Litigation</i> | 21-2097 (WMW/KMM) | July 7, 2020/ September 23, 2021 |

2. Every pleading filed in the Consolidated Action, or in any separate action included herein, must bear the following caption:

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

IN RE RESIDEO TECHNOLOGIES, INC.
DERIVATIVE LITIGATION

Lead Case No. 21-1965 (WMW/KMM)

3. All papers filed in connection with the Consolidated Action will be maintained in one file under Lead Case No. 21-1965 (WMW/KMM).

4. Co-Lead Counsel for plaintiffs for the prosecution of the Consolidated Action shall be:

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5. Plaintiffs' Co-Lead Counsel shall have the sole authority to speak for plaintiffs in all matters regarding pre-trial procedure, trial, and settlement negotiations, and shall make all work assignments in such manner as to facilitate the orderly and efficient prosecution of this litigation and to avoid duplicative or unproductive effort.

6. Co-Lead Counsel will be responsible for coordinating all activities and appearances on behalf of plaintiffs. No motion, request for discovery, or other pre-trial or trial proceedings will be initiated or filed by any plaintiffs except through Co-Lead Counsel.

7. Plaintiffs' Executive Committee shall consist of:

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8. Local Counsel for plaintiffs for the Consolidated Action shall be:

REINHARDT WENDORF & BLANCHFIELD

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9. Plaintiffs' Local Counsel shall be available and responsible for communications to and from this Court, including distributing orders and other directions from the Court to counsel. Local Counsel shall be responsible for creating and maintaining a master service list of all parties and their respective counsel.

10. Defendants' counsel may rely upon all agreements made with Co-Lead Counsel, or other duly authorized representative of Co-Lead Counsel, and such agreements shall be binding on all plaintiffs.

11. This Stipulation shall apply to each derivative case arising out of the same, or substantially the same, transactions or events as these cases, which is subsequently filed in, removed to, reassigned to, or transferred to this Court. When a derivative case that properly belongs as part of *In re Resideo Technologies, Inc. Derivative Litigation*, Lead Case No. 21-1965 (WMW/KMM), is hereafter filed in this Court, removed to this Court, reassigned to this Court, or transferred here from another court, this Court requests the assistance of counsel in calling to the

attention of the Clerk of the Court the filing, reassignment, or transfer of any case that might properly be consolidated as part of *In re Resideo Technologies, Inc. Derivative Litigation*, Lead Case No. 21-1965 (WMW/KMM), and counsel are to assist in assuring that counsel in subsequent actions receive notice of this order.

12. Defendants agree to accept service of the complaint in the Institutional Action. The acceptance of service and entry into this Stipulation shall not waive any rights, claims and defenses other than a defense as to the sufficiency of service.

13. The parties stipulate and agree to stay all proceedings and deadlines in the Consolidated Action, including any obligation to answer, move against, or otherwise respond to any complaint filed in the Consolidated Action, pending final judgment in the Securities Class Action. For the avoidance of doubt, Defendants shall not be required, during the pendency of the stay, to respond to any complaint or amended complaint filed in the Consolidated Delaware Action, the Institutional Action, the Consolidated Action, or any action later consolidated into the Consolidated Action.

14. The Parties stipulate and agree to meet and confer and submit a proposed scheduling order to the Court within fourteen (14) days of the date that the stay is lifted, which will include deadlines for the filing of a consolidated complaint and deadlines to answer, move against, or otherwise respond to any complaint.

15. This Stipulation is without prejudice to any and all other defenses Defendants may assert in this or any of the above-referenced actions and without prejudice to any and all claims plaintiffs may assert.

IT IS SO STIPULATED.

Dated: November 29, 2021

Respectfully submitted,

REINHARDT WENDORF & BLANCHFIELD

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